

Travel Charge Card Management Plan

Agency: EPA

Author: Debbie Vanselow

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1. Introduction

As required by **OMB Circular A-123, Appendix B – Improving the Management of Government Charge Card Programs**, this plan outlines the policies and procedures within The United States Environmental Protection Agency that are critical to the management of the charge card program, in order to ensure that a system of internal controls is followed and to mitigate the potential for fraud, misuse, and delinquency.

This document is intended to be a living document and will be updated as changes occur within the agency's charge card program. The primary purpose of the plan is for the agency's benefit and reference, but as requested by OMB, a copy is being sent annually to the OMB Office of Federal Financial Management Controller, Danny Werfel.

2. Personnel Management

2.1 Key management officials

This section provides a list of the key card program management officials associated with the charge card program within the agency, along with their title and responsibilities. *This includes high level Agency/Organization Program Coordinators (A/OPCs), Approving Officials (AOs) or other equivalent officials, and other accountable/billing officials. Provided below are tables organized by program and examples of entries within them. Note: OMB suggested including 5-10 individuals per program.* The key officials for each program are listed in the tables below.

Travel Card Program		
Name	Title	Responsibilities
Debbie Vanselow	Travel card Level 1 A/OPC	Oversees the agency's travel card program
Greg Luebbering	Acting Director Cincinnati Finance Center	Oversees the agency's travel card program and training
John O'Connor	Staff Director Financial Policies & Planning Staff	Provides policy leadership in travel management

2.2 Process for appointing cardholders and AOs

This section outlines agency policies and procedures, by program, for appointing travel cardholders.

Travel card program

Explain your agency's procedures for appointing cardholders and AOs in the travel card program. For example,

- *How does your agency determine who will be given a travel card?*

EPA will offer the Government Travel and Transportation Charge Card to all EPA employees who are expected to travel at least twice a year. The charge card is mandatory if the employee travels more than five times a year. Employees who are eligible but decline the charge card are restricted to the same travel advance limitations as cardholders. However, if the Assistant Administrator or Regional Administrator determines that a mandatory user of the travel card has a valid reason for declining the card, the employee will not be required to obtain a card. Employees who are not issued a travel card must charge their official airline tickets to the Agency's centrally billed account.

- *What is the process to apply for a travel card?*

To apply for the travel card an employee must obtain an EPA Memorandum of Understanding (MOU) form and the Government Travel and Transportation Charge Card application from their Servicing Finance Office (SFO). They must read both the MOU and the information on the employee sections of the application form. The forms are then completely filled out and signed by the employee. By signing the application and the MOU they have indicated that they understand and agree to the terms and conditions of the Charge Card Program. Their supervisor must also sign the MOU, this indicates the travel card is needed to perform the Agency's mission. The enrollment form and signed MOU is then forwarded to the SFO's Agency Program Coordinator for processing, retaining a copy for their files.

2.3 Procedures at employment termination or transfer

This section outlines the procedures taken by the agency when an employee terminates employment within the Federal government or transfers to a different agency or transfers within the same agency. *Explain your agency's procedures when an employee terminates employment with your agency. For example,*

- *How does your agency ensure that the cardholder's card balance is zero prior to his/her last day of service?*

The Agency's clearance process includes credit card review by AOPC.

- *Who informs the bank to close the account? Is this done online, via phone, or via another mode? When is this done?*

The AOPC is responsible for cancelling accounts. This is done via the banks EAS on the internet.

- *Explain your agency's procedures to ensure that the card is disposed of. Does your agency physically obtain the card prior to the employee's last day of service? Does your agency shred the card? Who is responsible for obtaining and destroying the card?*

The card is shredded by either the Administrative Officer or AOPC during the clearance process.

- *Explain your agency's procedures for transferring cardholders within an agency.*

Program Office contacts AOPC. Request is sent to the Cincinnati Finance Center to transfer the account.

3. Training

3.1 General

This section summarizes agency general training requirements that are relevant for all charge card program participants. *Explain your agency's procedures for training. For example,*

- *Are all charge card program participants, regardless of level or responsibilities, trained prior to appointment? Note that page 6 of the **OMB Circular A-123, Appendix B – Improving the Management of Government Charge Card Programs** – requires all charge card program participants to be trained prior to appointment.*

EPA Policy states The Agency Program Coordinators, travel cardholders, approving officials for travel card participants and other accountable or billing officials must receive the travel card training required in the OMB Circular A-123, Management's Responsibility for Internal Control, Appendix B (Revised 2009).

Improving the Management of Government Charge Card Programs.

- *How often are program participants required to take refresher training? Note that page 6 of the **OMB Circular A-123, Appendix B – Improving the Management of Government Charge Card Programs** – requires that all charge card program participants take refresher training every 3 years, at a minimum.*

Charge Card Management Plan

- *EPA Policy states Refresher training is necessary every three years or when changes in processes occur. Copies of all training certificates are maintained consistent with the EPA records management policies.*

3.2 Travel card program

This section outlines agency training for travel card program participants.

Cardholder

Explain your agency's procedures for training travel cardholders. For example,

- *Explain how your agency utilizes the online training provided by GSA.*
 - EPA provides the GSA web page link to employees when completing their travel card application. We are currently incorporating the GSA training modules into the Agency Skillport Training Tool
- *Describe the training your agency has developed.*
 - We use the GSA on-line training, EPA has not developed any additional training
- *What topics does the cardholder training cover?*
 - GSA Training used
- *In what ways does your agency use the publications developed by GSA? Which publications does it use?*
 - EPA uses the AOPC Survival Guide as an information tool for AOPC's when they get questions that travelers sometime ask.
 - EPA provides the AOPC Survival Guide to AOPC's, and Helpful Hints for Travel Card Use to new cardholders.
- *Describe any educational materials your agency has developed for the travel card program.*

EPA has an Agency Policy that provides Agency-wide policy and procedures on the use of the Travel Card. This policy gives the background of the charge card services provided to the Federal Agencies under the GSA multiple award contract. This policy also explains to the traveler the proper use of the card, and what the procedure is for misuse and delinquency.

A/OPC

Explain your agency's procedures for training travel card A/OPCs. For example,

- *Explain how your agency utilizes the online training provided by GSA.*
 - EPA AOPC's are required to take the GSA online training.
- *Describe the training your agency has developed.*

EPA worked with our contracted card provider and conducted on-line training with the A/OPC's in the beginning of the contract. The bank offers quarterly webinar's for any new A/OPC's. Conference calls are held throughout the year to discuss policy issues.

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- *What topics does the AOPC training cover?*

This training covers procedures on misuse, delinquency, credit limits, account set up, closing accounts, transaction reviews, reporting, etc, and any new changes that have come into effect.

- *In what ways does your agency use the publications developed by GSA? Which publications does it use?*

The AOPC Survival Guide is a reference tool we use for the AOPC's.

- *Describe any educational materials your agency has developed for the travel card program.*

EPA Travel Card Policy covers the procedures and responsibilities of the AOPC's and traveler.

3.5 Record keeping

This section summarizes agency procedures for documentation and record retention. *Explain your agency's procedures for documentation and record retention. For example,*

- *Explain your agency's method of certification. Does it vary among programs and types of training?*

- o In accordance with the Records Management Schedule

- *How are the records of training certification maintained, and who is responsible for maintaining them?*

Certificates are submitted with the application and kept on file in the AOPC's office in accordance with the records management schedule.

- *Explain your agency's method of document retention.*

All records are maintained in a locked file cabinet for 6 years, 3 months.

3.6 Ensuring effectiveness of training requirements

This section outlines agency procedures for ensuring that training policies and procedures remain current and effective. *Explain your agency's procedures for ensuring that your agency's training policies and procedures remain effective. For example,*

- *What is your agency's process for reviewing its overall training process? How often does this task occur, and who is in charge of it?*

The QAP under FPPS was eliminated in FY 2008. QAs were incorporated under the Management Integrity/A-123 process for review and reporting.

- *What is your agency's process for reviewing its training materials and making changes, if necessary? How often does this occur, and who is in charge of it?*

The QAP under FPPS was eliminated in FY 2008. QAs were incorporated under the Management Integrity/A-123 process for review and reporting.

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- *Explain the steps that are taken if it is determined that the training materials, policies, and/or procedures need to be updated.*

The QAP under FPPS was eliminated in FY 2008. QAs were incorporated under the Management Integrity/A-123 process for review and reporting.

4. Risk Management

4.1 Creditworthiness policies and procedures

This section summarizes agency policies and procedures regarding creditworthiness and performing credit checks. *Explain your agency's procedures for implementing creditworthiness. For example,*

- *Explain the process through which your agency obtains credit scores for new employees.*

Our Task order with JPMorgan Chase states the bank will be obtaining this information

- *If employees have to be issued a restricted card, what actions does your agency implement?*

The Agency Program Coordinator receives an email that the score is in the yellow range. Employees with yellow credit scores receive a restricted travel card with a \$5,000 credit limit. At the request of the Agency Program Coordinator, other restrictions are added to the travel card, such as limits on individual transaction amounts or the automated teller machine use restrictions

- *How does your agency fund the credit checks?*

Negotiated free services in task order.

- *Discuss the process for holding the credit scores once they are obtained.*

The travel card contractor bank processes the applications and provides Agency Program Coordinator with a *green, yellow or red* credit assessment, based on the contractor bank's internal criteria. The Agency Program Coordinators and employees do not receive the actual credit scores.

- *Explain your agency's procedures for handling intra-government employee transfers?*

Employee must turn their card into the Agency they are leaving and clear all debts. Upon arrival at EPA they will apply for a new card.

4.2 Controls, practices, and procedures related to Centrally Billed Account (CBA) delinquencies

This section outlines agency risk management procedures in regard to CBA delinquencies. *Explain your agency's controls, practices, and procedures relating to CBA delinquencies for purchase, travel, and fleet card programs. For example,*

- *What is your agency's process for ensuring that all payments are timely, accurate, and appropriate? What internal controls do you utilize?*

With the growth of this account we have been running weekly reports out of the Banks EAS to verify charges. Once the report is generated we are able to create a payment document for those transactions. Payments are then made based on the current charges.

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- *Describe your agency's process for monitoring delinquency reports provided by its charge card vendor.*

Monthly reports are reviewed thru the Banks EAS tool.

- *Which personnel (A/OPCs, AOs, and/or accountable/billing officials) are contacted to make sure that delinquent payments are addressed and corrective actions are taken?*

The Cincinnati Finance Center is responsible for payment of the Agency CBA's. All payments, disputes and credits are processed by this office.

- *Discuss the corrective actions that are taken to prevent repeat occurrences of delinquency.*

With the centralization of the CBA payments to the Cincinnati Finance Center we have been able to avoid repeat delinquencies.

4.3 Controls, practices, and procedures related to Individually Billed Account (IBA) delinquencies

This section outlines agency risk management procedures in regard to IBA delinquencies. *Explain your agency's controls, practices, and procedures relating to IBA delinquencies. For example,*

- *Describe your agency's process for monitoring delinquency reports provided by its charge card vendor.*
 - AOPC is responsible for running monthly reports
 - Letters are sent to employee and supervisor when employee is in a delinquent status
- *What is your agency's process for ensuring that all payments are timely, accurate, and appropriate? What internal controls does it utilize?*

Review of the monthly aging reports provided by the bank's EAS for verification of payments. EPA also encourages the use of Split Pay when submitting Travel Vouchers.

- *How promptly does your agency contact delinquent cardholders?*

EPA will notify the traveler, and their supervisor when an account is 60 days past due via email

What is the process for sending verbal and/or written communication to the delinquent cardholder advising him/her that disciplinary actions may be initiated?

EPA supervisors must work with Human Resources Labor Relations to determine disciplinary actions.

- *What disciplinary actions does your agency impose on delinquent travel cardholders?*

This is a decision made by the Supervisor with Human Resources. Depending on the violation, action determined can be from reprimand to dismissal

- *Does your agency implement split disbursement? What are its procedures for implementing split procedures?*

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EPA's new policy states - Section 4.4 of the OMB A-123, Appendix B (Revised 2009) *Improving the Management of Government Charge Card Programs* mandates split disbursement for travel cardholders. Split disbursement is defined in Section 4.4.1 as a process that divides reimbursements (travel voucher payments) between the travel card contractor bank and travel cardholders. The EPA requires travel cardholders to indicate on their travel vouchers an amount to directly pay the travel card contractor bank. At a minimum, split disbursement requires direct payment for common carrier transportation, lodging or hotel costs and all proper transaction fees, for example, related E-Gov Travel Service system charges for official travel service. The Cincinnati Finance Center will not process a travel voucher without an amount shown to pay the travel card contractor bank. The Cincinnati Finance Center will contact travel cardholders for an amount to send the travel card contractor bank. After contacting travel cardholders, the Cincinnati Finance Center sends the amount the travel cardholders designate to the travel card contractor bank. The remaining balance goes to the travel cardholders' personal bank accounts via electronic funds transfer

- *Does your agency implement salary offset? What are its procedures for implementing salary offset?*

Yes. When the travel card contractor bank submits notification that travel cardholders have delinquent balances, the EPA determines whether to initiate salary offset. The EPA only collects undisputed delinquent amounts after the EPA reimburses travel cardholders for travel expenses under the applicable travel regulations and consistent with a proper travel claim. The EPA travel cardholders must pay their financial obligations within the timeframe the travel card contractor bank establishes. Travel authorizing officials, in consultation with the Agency Program Coordinator, will take the necessary steps for appropriate disciplinary action based on the EPA's *Conduct and Discipline Manual*, the EPA Order 3110.6B *Adverse Actions* and applicable collective bargaining agreement.

4.4 Controls, practices, and procedures related to charge card misuse and abuse

This section outlines agency risk management procedures in regard to charge card misuse and abuse. *Explain your agency's controls, practices, and procedures relating to misuse and abuse. For example,*

- *What are the specific risks associated with your agency's charge card programs?*
- *What are your agency's policies and procedures to mitigate these risks?*

Use the table below to answer the 2 questions above:

Risk	Risk Management Action	Person Responsible
<i>Description of the risk</i>	<i>Description of the strategy to be used to overcome the risk</i>	<i>Personnel responsible for monitoring the risk and executing the risk management action</i>
<i>Non-Compliance with policy</i>	<i>Customer Service and monitoring</i>	<i>Agency Travel AOPC's</i>
<i>Misuse and abuse</i>	<i>Monitoring reports generated by bank and EPA</i>	<i>Agency Travel AOPC and Supervisors</i>
<i>Delinquency</i>	<i>Monitoring reports generated by bank and EPA</i>	<i>Agency Travel AOPC's</i>

- *What are your agency's procedures for reviewing charge card reports? Which reports do the managers monitor to detect charge card misuse and abuse?*

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- The AOPC's are responsible for reviewing reports monthly for misuse, abuse and delinquency.
- EPA has developed internal reports that are available on the Intranet for managers to access. They are able to view individual cardholder transactions and delinquency reports.
- *What disciplinary actions does your agency impose on cardholders who misuse or abuse the card?*

This is a decision made by the Supervisor with Human Resources Labor Relations input based on the Agency Discipline Manual and Union Agreements.

4.5 Appropriate authorization controls establishment

This section summarizes agency authorization controls. *Explain your agency's policies for establishing authorization controls. For example,*

- *Does your agency utilize Merchant Category Code (MCC) blocking? Which codes are blocked?*

Yes, all codes that are not travel related are blocked for everyone.

- *What other classification systems are used to prevent spending on unauthorized items, e.g. NAICS, UN codes, NIGP codes?*

None.

- *Which card restrictions does your agency use to alleviate delinquencies, misuse, and abuse?*
 - MCC Code Blocking
 - Card Limits
 - ATM Limits

4.6 Ensuring effectiveness of risk management controls

This section outlines agency procedures for ensuring that risk management policies and procedures remain current and effective. *Explain your agency's procedures for ensuring that your agency's risk management controls remain effective. For example,*

- *What is your agency's process for reviewing its overall risk management process?*

Continue to network with other Agencies for best practices. Continue to partner with JP Morgan Chase for new or changing industry practices.

- *How often does your agency review the risk management process?*

EPA continuously assesses risk. AOPCs are required to monitor and report possible risk.

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- *Who is in charge of reviewing the risk management process?*

Cincinnati Finance Office has the primary responsibility for managing risk associated with travel card program. Office of Financial Management is responsible for updating or issuing new policies.

- *Explain the steps that are taken if it is determined that the risk management controls your agency uses need to be updated.*

The Cincinnati Finance Office Travel Card Team is empowered to take whatever steps it deems necessary to mitigate risks to the program. Once a risk is identified, an assessment is done to determine the extent of the risk. The results of the assessment will aid in determining what steps need to be taken. Additional screening measures, policy changes and training changes may be necessary to manage the risk identified.

- *List the best practices and methods your agency has found to be very effective in managing risk.*

Monthly reviews of card use, sending email to cardholders and supervisors informing them of delinquency and possible misuses.

5. Refunds and Tax Recovery

5.1 Refund management

This section outlines agency policies and procedures to promote and ensure the effectiveness of refund management controls. *Explain your agency's policies on refund management. For example,*

- *What are your agency's policies regarding refund management?*

Refunds are returned back to our travel budget.

- *What steps does your agency undertake to ensure that it is receiving the best competitive refund deal from its charge card vendor?*

While refunds were not the key factor in the Agency's decision to re-compete its charge card task order, the result was an increased refund rate. When performing the re-compete in 2008, improving customer service from the program management perspective was a driving force.

- *How are refunds allocated and used in your agency?*

Refunds are credited back to the accounting used to make payments.

- *Explain your agency's procedures for reviewing its refund agreement and refund management policies?*

The Task Order contains the refund agreement and as such is managed by the project officers in conjunction with the contracting officer. Refund management policies are a collaborative effort between the Office of Acquisition Management and the Office of the Chief Financial Officer.

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- *Who is in charge of reviewing your agency's refund agreement and refund management policies?*

The Task Order is managed on a day to day basis by the project officer in the travel card office.

- *What procedures are in place to ensure that your agency is maximizing its refunds?*

Employees are encouraged to split disburse their reimbursements to the bank. Steps have been implemented to help reduce delinquencies and increase timely payments.

5.2 Tax recovery

- This section outlines agency policies and procedures to promote and ensure the effectiveness of tax recovery. *Explain your agency's policies on state and local tax recovery.*

This does not apply to the travel card

6. Reporting

6.1 Reports

This section outlines the various charge card reports that the agency utilizes for monitoring delinquency, misuse, performance metrics, and other transactions and program management issues. *This includes the standard reports that your agency receives, as well as the ad hoc reports it runs. Provided below is a table template to describe the reports your program uses:*

Report Name	Purpose	Frequency	Data Source	Data Elements	Report Author	Report Recipients
Report A	Monitoring delinquency; Monitoring misuse; Monitoring performance metrics; Spend analysis; Etc.	Daily; Weekly; Monthly; Every other Friday; Etc.	Bank system; GSA; Agency; Etc.	Transactions; Spend; Cardholders; Write-offs; Recoveries; Etc.	Joe Smith	GSA; OMB; CFO of agency; Etc.
Report 505 Account Aging	Monitor outstanding balances on travel cards	Monthly	Bank's EAS	Cardholder name, Transactions, Amount Spent, Payments, Transaction Dates	Travel Team	Travel Team,
Report 161 Transaction Detail Report	Monitor use of card	As needed	Bank's EAS	Cardholder, Transactions, Dates, Amounts	Travel Team	Travel Team, Traveler, Supervisor

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Report 120 Cardholder Statement(Individual Billed)	Provide statements to cardholders	As Needed	Bank's EAS	Cardholder, Transaction s, Dates, Amounts, Due Date	Travel Team	Travel Team, Cardholder, Supervisor
Travel Card Atypical Transactions	Monitor Questionable Charges	As needed for oversight monitoring	Agency	Cardholder, transaction data, date and amount, Vendor	Travel Team	Traveler, Supervisor
Travel Card Transactions	Monitor transactions	As needed	Agency	Cardholder, transactions , dates, amounts, payments	Request or	Traveler, Travel Team, Supervisor

United States Environmental Protection Agency Purchase Charge Card Management Plan



January 30, 2014

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1. Introduction

As required by OMB Circular A-123, Appendix B – Improving the Management of *Government Charge Card Programs*, this plan outlines the policies and procedures within the U.S. Environmental Protection Agency (EPA) that are critical to the management of the charge card program, in order to ensure that a system of internal controls is followed and to mitigate the potential for fraud, misuse, and delinquency.

This document is intended to be a living document and will be updated as changes occur within the Agency's charge card program. The primary purpose of the plan is for the agency's benefit and reference, but as requested by OMB, a copy is being sent annually to the OMB, Office of Federal Financial Management.

The United States Environmental Protection Agency (EPA), as part of Fiscal Year 2014 Balanced Scorecard initiatives, will implement an automated system to record all purchase card transactions. The Agency is also reengineering purchase card oversight, management controls and expanding current use of the purchase card for contract payments and invoices to increase Agency rebates.

EPA is benchmarking other federal agencies; the Department of Energy, United States Department of Agriculture, and the Department of Health and Human Services and will consider incorporating best practices that align with the Agency mission.

2. Personnel Management

2.1 Key Management Officials

This section provides a list of the key charge card program management officials associated with the purchase card program within the Agency, along with their title and responsibilities.

Name	Title	Responsibilities
	Senior Procurement Executive Director, Office of Acquisition Management	<ul style="list-style-type: none">• Has overall responsibility for Agency acquisition• Promulgates procurement policy• Directs EPA's acquisition program
	National Purchase Card Program Manager	<ul style="list-style-type: none">• The supervisor of the Purchase Card Team within the Office of Acquisition Management• Authorize cardholder and approving official delegation of authority memorandum• Authorize waiver of ratio of cardholders to approving officials
	Agency Program Coordinator (APC)	APC duties include, but are not limited to:

Name	Title	Responsibilities
		<ul style="list-style-type: none"> • Manages and oversees EPA Purchase Charge Card Program • Develops and updates charge card program policy • Provide training and guidance to program analysts • Develop and recommend EPA policy and procedures for the department-wide purchase card program • Coordinate with the bank contractor regarding future program applications/enhancements • Responsible for overall program at the Agency level • Establish and maintain Agency-wide communication • Establish agency-unique purchase card policies and procedures when needed; • Conduct Agency-wide oversight of purchase card transactions
	Program Analysts	<p>The major responsibilities of the program analysts are:</p> <ul style="list-style-type: none"> • Set-up and maintain purchase card and convenience check accounts • Perform maintenance changes • Provide senior agency management with purchase card transaction and convenience check data • Answer cardholder questions and concerns thru a dedicated purchase card Inbox repository • Perform monthly review of suspected split transaction, declined transaction, exceed \$3,000 transaction, and other reports • Send violation notices and follow-up on all outstanding issues concerning questionable cardholder transactions • Utilize the bank's electronic database for all cardholder account information • Process card cancellations due to termination or employee transfer
	Approving Official (AO)	AO duties include, but are not limited to:

Name	Title	Responsibilities
		<ul style="list-style-type: none"> • Determining the necessity and appropriateness of each card issued • Determining who under the AO's authority should receive purchase cards/convenience checks • Determining terms for cardholder use including single and monthly purchase limits, including requests for increases/decreases in a cardholder's single or monthly limit • Ensuring that cards issued under their authority are properly utilized for official Government business • Ensuring cardholder completes required purchase card training prior to submitting purchase card application • Completing required AO purchase card training • Ensuring that card/convenience checks are destroyed and note the unused check numbers destroyed before cardholder departs Agency • Ensuring cardholders approve transactions on a monthly basis and before the cardholder's departure from Agency. • Ensuring cardholders maintain adequate receipts/supporting documentation for each purchase. The retention period for these documents is three (3) years from the date of purchase • Invoke disciplinary action or other appropriate action for misuse of purchase cards/convenience checks when notified by the program • Notifying the program when cardholder is absent from office due to extenuating circumstances • Reviewing cardholder transaction activity on a monthly basis • Notifying the program of questionable transactions or possible misuse of the purchase card/convenience check

Name	Title	Responsibilities
	Designated Billing Office (CFC)	<ul style="list-style-type: none"> • Responsible for assisting cardholders with cost allocation or dispute matters • Corrects transaction rejects • Corrects any necessary accounting string for the nightly updates to the bank system for Cardholder reconciliation • Notify program office of cardholder accounts that should be suspended due to cost allocation

2.2 Process for Appointing Cardholders and Approving Officials

This section outlines Agency policies and procedures for appointing cardholders and approving officials.

Purchase Card Program

- **Appointment of Purchase Cardholders and Approving Officials**

EPA follows Federal Acquisition Regulation 1.603.3(b) which states: “Agency heads are encouraged to delegate micro-purchase authority to individuals who are employees of an executive agency or members of the Armed Forces of the United States who will be using the supplies or services being purchased.”

AOs are instructed to only nominate individuals that have demonstrated that they are responsible and possess the required business acumen to be entrusted with a government purchase card. Generally, all cardholders should be current, permanent EPA employees.

- **What is the process to apply for a Purchase Card?**

Individuals are appointed as purchase cardholders based on:

Both cardholders and approving officials must complete the GSA SmartPay® Purchase Cardholders course online. Upon successful completion, an electronic application, along with the certificate of completion is sent to the purchase card program team. The team performs additional Quality Assurance checks of each application, and if the document is in order, submits the card or convenience check request through the bank’s electronic system for setup.

- **What is the role of and process to apply to be designated as an Approving Official?**

The AO is the primary source of quality assurance, oversight, and support of his or her cardholders. AOs must have the knowledge, skill, organizational authority, and time to perform the job thoroughly.

- (1) AO's position within an organization must be at an appropriate level (one organizational/ grade level above cardholder) to effectively oversee and influence the cardholder(s). Normally, the AO will be the cardholder's supervisor or team leader since the AO is responsible for monitoring the cardholders' performance and giving feedback.
- (2) AO's must have sufficient time to review the transactions and documentation of their cardholders. The AO function must be factored in as part of the AO's workload so that higher priorities do not consistently outweigh and take precedence over cardholder oversight. Ideally, AOs would have an element in their job performance plans covering their purchase card responsibilities.
- (3) To provide both support and oversight, AOs must be in close physical proximity to the cardholders they oversee.
- (4) The same individual may be appointed as both an AO and a CH. The cardholder may not function as their own AO. This violates EPA regulations pertaining to separation of duties.

The application process to become an AO requires Agency employees to successfully complete the GSA SmartPay® Purchase Cardholders course online. Then, they must apply by sending the New Approving Official Account Set-up Form with proof of successful completion of the Purchase Card Course within the past year to the Purchase Card Team. The AO, and Division Director or higher must approve the application. Division Directors or higher may approve their own applications.

3. Ensuring credit worthiness of new charge card applicants

N/A for Purchase Cards which are Centrally Billed Accounts (CBA)

4. Agency training requirements

This section summarizes Agency general training requirements that are relevant for all charge card program participants.

In accordance with OMB Circular A-123, all charge card program participants regardless of level or responsibilities, receive training prior to appointment or issuance of a card and/or check account or becoming an approving official. EPA cardholders and approving officials must complete the GSA SmartPay® Purchase Cardholders course online. Upon successful completion, an electronic application along with the training certificate of completion is sent to the purchase card program team. All purchase card and convenience check accounts are established request through the bank's electronic system.

Refresher training for all charge card program participants must be completed within two years of the last refresher training. Charge card participants are issued a certificate of training upon completion of required training. In-house mini training sessions are also offered. Participants must document and maintain records of training attendance and completion in their respective offices.

5. Management controls, policies, and practices for ensuring appropriate charge card and convenience check usage and oversight of payment delinquencies, fraud, misuse and abuse

- 5.1** EPA management controls, policies and practices include establishing a single purchase limit for cardholders who are not in an acquisition position a single purchase limit of \$3,000 and monthly purchase limit of \$6,000. Higher purchase card limits are established for contracting officers and other emergency personnel for use during COOP activities. Individuals requesting single purchase limits above the micro-purchase threshold must meet the Federal Acquisition Certification in Contracting (FAC-C) training, education and experience requirements for applicable warrant level. Convenience check accounts have a single purchase limit of \$2,500 and \$5,000 monthly transaction limit for all participants. EPA has a block on convenience checks exceeding \$2,500, and the checks are printed with "not to exceed \$2,500." A daily report is received from the bank for checks presented that exceed \$2,500 single or \$5,000 monthly. Cardholders receive a violation memorandum, along with a copy to the AO. The purchase card program is managed centrally within the Office of Acquisition Management with full responsibility of establishing new accounts and account maintenance. Applications are electronically routed from the prospective cardholder, to the approving official, and the office director for concurrence to establish new accounts. Training certification is verified by the program team.

Convenience checks have a heightened vulnerability, and EPA minimizes the use of convenience checks as a payment method. Approving officials must provide written justification and make a business case before new convenience check accounts are authorized by the program. This practice has led to a 17% overall reduction in the use of

convenience checks Agency-wide, which continually exceeds the OMB and GSA 5% annual reduction initiative in effect through FY 2015.

Internal EPA reports that are utilized include reviewing system generated payroll Separation Reports which provide the program with notification of employees no longer with the Agency. Review of the report allows the program to cross check cancellation requests to ensure that employee card accounts are cancelled, as well as approving official accounts are transferred to active approving officials when appropriate.

- 5.2** EPA purchase cards are centrally billed; consequently, the Agency does not have purchase card delinquencies. Specific to monitoring timely cost allocation of transactions, if EPA transaction are not cost allocated within five (5) calendar days of posting to the cardholder statement of account, an automated weekly email alert is sent to the cardholder and approving official. The Cincinnati Finance Center (CFC) contacts the cardholder and/or approving official after 30 days to ensure appropriate action is taken to allocate or dispute non allocated transactions. Failure to cost allocate timely will result in suspension of cardholder privileges until all outstanding transactions have been allocated.
- 5.3** What disciplinary actions does your agency impose on cardholders who misuse or abuse the card?

The cardholder may be subject to administrative and/or disciplinary action under applicable U.S. Environmental Protection Agency Personnel Manual and Government-wide administrative procedures, up to and including suspension and/or removal. An employee will be personally liable to the Government for the amount of any unauthorized transaction and may be subject to a fine of not more than \$10,000 or imprisonment for not more than 5 years, or both, under 18 U.S.C. 287.

As part of the Purchase Card program Policy, it is required that all instances of suspected fraud or abuse are reported to the Office of Inspector General. As appropriate, indications of fraud can be reported to the Approving Official, Funds Control Officer, or the Purchase Card Team. Also, the APC will involve the appropriate offices as necessary.

5.4 Formal Disciplinary Actions

In addition to the disciplinary actions noted previously, cardholders and approving officials who do not successfully and consistently fulfill their purchase card duties are subject to the Agency's Conduct and Discipline Manual (EPA 3120.1), which provides the following disciplinary guidelines, notwithstanding the outcome of any applicable criminal proceedings:

Nature of Offense: Resource Management (for example, misuse of Government issued purchase charge card Initiating and deciding officials are made aware that actions taken in good faith and without negligence are not intended to be actionable.			
	First Offense	Second Offense	Third Offense
a. Violation of applicable laws, rules, or regulations by an individual occupying a position where knowledge of such resource management laws, rules, or regulations is required by the	Written warning to 3-day suspension.	Written letter of reprimand to 30-day suspension.	30-day suspension to removal.
b. Advising or ordering a subordinate to violate applicable Federal (OMB, GSA, EPA) resource management laws, rules, or regulations.	3 to 14-day suspension	15-day suspension to removal	removal

5.5 Authorization controls

EPA recently implemented a block of an additional 130+ MCCs to prevent transactions considered high risk, including codes considered non-applicable for routine Agency purchase card transactions. Transactions are declined at the point of sale. For blocked transactions, cardholders are required to contact the purchase card program office to discuss the acquisition and provide written supporting documentation for the purchase which is reviewed by a team member. Determinations are made on a case-by-case basis providing closer review and scrutiny of transactions. These controls reduce potential risks associated with abuse or misuse.

6. Strategic sourcing implementation

This section summarizes the Agency's policies and practices related to strategic sourcing.

- 6.1** The Agency has implemented a strategic sourcing plan that consists of, among other things, a review of accounts payable data, including purchase card data, to determine our major trading partners and the commodities that we obtain from them. Commodities have been identified and the opportunities for strategic sourcing of those commodities are currently being pursued. We are collecting data on our acquisitions of the selected commodities and gathering information from the vendors that supply those items to us.
- 6.2** The Agency is continuing the process of analyzing its spending data to determine the nature of available strategic sourcing opportunities. In light of increased emphasis on providing procurement savings to the Agency, its various components are engaged in an ongoing examination of its acquisition programs, including the purchase charge card program.

In addition to developing Agency-wide strategic sourcing initiatives, EPA also participates in GSA's Federal-wide FSSI vehicles which offer similar benefits, including:

- Capturing economies of scale
- Ensuring compliance with applicable regulations to include the Ability One program, sustainable purchasing requirements and the Trade Agreement Act
- Fostering markets for sustainable technologies and environmentally preferable products
- Simplifying data collection and enhancing transparency by enabling agencies to better manage expenditures and measure cost savings
- Aligning purchasing with existing agency procurement practices
- Enabling achievement of socioeconomic goals
- Provide ease of ordering

As Agency and Federal strategic sourcing initiatives are put into place, training will be provided to our cardholders and acquisitions personnel throughout the Agency. Cardholders and acquisitions personnel will be made aware of discount agreements and methods available to use those agreements. The Agency will use the exception reporting capability in the bank electronic system to monitor employee use of our discount agreements.

When discount agreements are in place, acquisition data from selected commodities will be collected from the bank's electronic system. Information will be gathered on acquisitions from the vendors that supply those items. That information will be reviewed to ensure compliance with strategic sourcing policies and to ensure the Agency is getting the best value for its acquisition dollars. The EPA will also use GSA's strategic sourcing website to compare month-to-month activity and take proactive steps to encourage use of the FSSI contractors. The FSSI reports will be the basis for outreach, training, and other initiatives to achieve savings through strategic sourcing.

7. Reports and data used for monitoring delinquency, misuse, performance metrics, spend analysis, and other relevant transactions and program management

This section outlines the various reports used to monitor delinquency, misuse, performance metrics, and other transactions and program management issues.

Data reporting is a critical tool for improving purchase charge card management to ensure timely and accurate data to assess:

- (1) compliance with legislative and administrative requirements;
- (2) the effectiveness of efforts to mitigate risks of abuse, delinquency, fraud, improper purchases, misuse, negligence, and waste; and
- (3) performance trends in managing costs and other relevant indicators of program success.

EPA purchase cards are centrally billed; consequently, the Agency does not have purchase card delinquencies. Specific to monitoring timely cost allocation of transactions, if EPA transaction are not cost allocated within five (5) calendar days of posting to the cardholder statement of account, an automated weekly email alert is sent to the cardholder and approving official. The Cincinnati Finance Center (CFC) contacts the cardholder and/or approving official after 30 days to ensure appropriate action is taken to allocate or dispute non allocated transactions. Failure to cost allocate timely will result in suspension of cardholder privileges until all outstanding transactions have been allocated.

EPA utilizes the following charge card vendor reports; suspected split transaction, transaction greater than \$3,000, declined transaction report, inactive 365+ day report, approving official span of control, bars/restaurant transaction report, training officer report, and convenience check report to identify and detect possible card misuse. The suspected split transaction report provides the program to review transactions made with the same vendor/posted on the same day and determine whether the transactions are potential split transactions. The report of transactions greater than \$3,000 in a single transaction assists in identifying when an attempt is made to charge more than the micro-purchase threshold in a single transaction. The declined transaction report allows for oversight of transactions attempted that were not approved thru the bank system. This allows visibility into cardholder transactions attempted in unauthorized merchant category codes (MCCs) and charges on closed/lost/stolen accounts. Inactive reports are used to suspend or cancel cards with minimal use and/or annual low dollar volume. The approving official span of control report is used to ensure that the ratio of cardholders to approving officials is in compliance with A-123 guidance, and does not exceed seven cardholders per approving official. The bars/restaurants report is used to view transactions within a prohibited merchant category code applicable to a bar or restaurant. The convenience check report is monitored by the Cincinnati Finance Center conducting a review of convenience check payee names against the EPA Locator to ensure that checks have not been written to EPA employees.

EPA utilizes an internal web-based review page which electronically captures all purchase card transactions. The purchase card review page is available to perform oversight of cardholders' transactions, reconciliation of accounts and validity of funding for transactions. Cardholders, Funds Control Officers, and Approving Officials can review the activity of each cardholder over a chosen time frame. Approving Officials have access to valuable transaction data to help facilitate budget decisions, identify problems with cardholder purchasing activity, as well as provide counseling to those who do not cost allocate in a timely manner. Since all activity is captured on this page, detailed reports are available thru EPA's web based system on purchase card transactions.

The Purchase Card Program Office utilizes the bank electronic system as the primary vehicle to continually monitor cardholder activities, program performance and to mitigate the risks associated with charge card programs. Approving Official/Span of Control reports available through the system are run biannually to ensure that AO to cardholder ratios are maintained, and the number of transactions being reviewed during a cycle is appropriate. Transaction Detail Reports are used to monitor cardholder activities to prevent inappropriate, wasteful, abusive or fraudulent use, and to monitor the effectiveness of training programs. In addition, the program monitors exception reports of cardholder activity which can be custom designed within the bank system. Reports are generated monthly and at random to detect possible misuse as soon as possible.

7.1 Documentation and record retention requirements

As required by CMM 13.3, cardholders are required to keep copies of all documents pertaining to each purchase for three (3) years, including:

Every cardholder (except for SACOs and other COs using SPEDI) shall have a log that shows every transaction completed by that cardholder for each 30-day billing cycle, i.e., beginning on the 28th day of each month and ending on the 27th day. At a minimum, the log shall record:

- a brief description of the items ordered,
- a record of required approvals,
- the vendor or merchant used,
- the date of the order,
- the total cost,
- the budget object class (optional) or document control number,
- the date the item was received (third party verification),
- the date of payment (cost allocation),
- a cardholder signature and AO signature (record of review).

In addition to the logs, there may be other supporting documentation. This

documentation may be maintained either in paper or electronic form so long as the information can be easily reconciled with the corresponding order. Examples of such supporting documentation include:

- (1) receipts associated with the orders (annotate any receipts that are too general in the product description area to make clear what was purchased);
- (2) vendor invoices or shipping slips;
- (3) documentation of receipt of required prior approvals; (Chapter 3 will cover the approvals you may need in addition to AO approval).
- (4) File documentation of any problems or unusual circumstances surrounding the order and justifications for actions taken. This documentation need not be extensive or particularly formal. Depending on the circumstances, it may be brief and handwritten. The object is to establish a record of important events that occurred during the processing of the order.
- (5) Any other documentation required by organizational or local requirements.

7.2. Recovery of cards, convenience checks and other documentation upon termination of employment or card is no longer necessary

This section summarizes agency authorization controls for cancelling cards upon termination.

When a cardholder or approving official leaves the Agency or no longer has a need for a purchase card, the Purchase Card Team must be notified. If a cardholder leaves the agency (or a destruct notice is required for any reason) the approving official must ensure that the card is destroyed and submit the Purchase Card Maintenance Form to the Purchase Card Team. (The electronic Purchase Card Maintenance Form is available on the EPA Purchase Card Web Page.) Internal EPA reports that assist in ensuring that accounts are closed include using a electronic system generated payroll separation report which provide the programs with notification of employees no longer with the Agency. Reviewing the report allows the purchase card team to compare departing employee names against the bank electronic access system to determine if the individual was a purchase card or convenience check account holder, as well as an approving official to ensure that card accounts are cancelled, as well as approving official accounts are transferred to active approving officials when appropriate.